Permission for Imposition of service tax

2954. SHRI V.V. RAGHAVAN:
SHRI J. CHITHARANJAN:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government propose to allow State Governments to tax 25 services in order to compensate them for loss of revenue due to introduction of uniform VAT from 1st April, 2001;

(b) if so, the details thereof;

(c) whether Government had given any assurance to the State Governments while agreeing for Uniform Taxation regarding the revenue planning to compensate the losses; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) and (b) No State has introduced VAT from 1st April, 2001. Hence, the question of compensation does not arise.

(c) and (d) In the conference of Chief Ministers held on 16.11.1999, it was decided by the States to have uniform floor rates of sales tax from 01.01.2000. It was noticed that due to introduction of uniform floor rates of taxation by States, there has been a proportionate revenue gain. Since there has been a gain in revenue, the question of compensation does not arise.

Central Assistance to Karnataka for Implementation of Fifth Pay Commission

2955. SHRI K.C. KONDAIAH:
SHRI H. JAVARE GOWDA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that some of the State Govenments have not implemented Fifth Pay Commission recommendations for their employees on account of financial constraints and have asked the Central Government to share funds for the purpose;

(b) if so, whether Government of Karnataka has asked for sharing of funds for the purpose; and

(c) if so, the details thereof and Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (c) The decision to adopt Central Government pay scales for State Government employees, is one to be taken by individual State Governments. However, subsequent to the Central Government adopting the recommendations of the Fifth Pay Commission, most States including Karnataka, have adopted these pay scales for their employees.

A number of States had requested for assistance, consequent to the impact of Fifth Central Pay Commission. Subsequently, the Eleventh Finance Commission (EFC) was constituted as per the provisions under Article 280 of the Constitution. While determining the share of States, the Commission had taken into account the expenditure liability including the impact of adopting the Fifth Pay Commission award and resources of the States. Report of the EFC has since been accepted by the Government of India and funds are devolving to the States from 2000-01, in accordance with the EFC's recommendations.

Corporate loans written off by Banks and FIs

2956. SHRI K. RAHMAN KHAN: Will the Minister of FINANCE be pleased to state:

(a) the quantum of corporate loans written off by public sector banks and other financial institutions *vis-a-vis* their non-performing assets;

(b) what is the current position of NPAs after writing off loans along with the details of the parties involved; and

(c) what effective steps have been taken to recover the loans from them?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (c) The information is being collected and will be laid on the Table of the House.